

COLORADO - www.revenue.state.co.us/fyi/html/income09.html

ALTERNATIVE FUEL REFUELING FACILITY CREDIT

For tax years beginning prior to January 1, 2011, Colorado income tax credits are available for the construction, reconstruction or acquisition of an alternative fuel refueling facility that is directly attributable to the storage, compression, charging or dispensing of alternative fuels to motor vehicles.

The percentage of the credit is determined by the tax year in which the costs are incurred:

Tax year beginning prior to:	Tax year beginning prior to:	Tax year beginning prior to:
Jan. 1, 2006	Jan. 1, 2009	Jan. 1, 2011
50%	35%	20%

Increased Credit

- 1) If 70% or more of the alternative fuel dispensed each year by the refueling facility is derived from a renewable energy source for ten years (certification must be provided upon request);

and/or

- 2) If the refueling facility is generally accessible for use by persons in addition to the person claiming the credit,

The percentage of the credit will be multiplied by 1.25. [Example: 50% becomes 62.5%]

Limitations to the Credit

- The credit claimed by a taxpayer is limited to \$400,000 in any consecutive five-year period for each refueling facility.
- This credit cannot be claimed on a refueling facility, or on any equipment used in connection with that facility, if **any** taxpayer has ever claimed the alternative fuel refueling facility credit for that facility.
- To the extent the allowable credit exceeds the tax liability, the excess may be carried forward for up to five years.
- Only the incremental costs of the alternative fuel distribution system will qualify for the credit. No portion of the cost of the convenience store and other fuel systems will qualify for the credit.
- The law does not allow a credit to be claimed on a facility for which the credit was previously claimed.

Examples: E85 Equipment in service before January 1, 2006:

New Install

Cost of E85 installation: \$40,000

Income tax credit: \$20,000

Renewable/retail multiplier x1.25: \$5000

Total value of credit: \$25,000

Conversion

Cost of E85 installation: \$5,000

Income tax credit: \$2,500

Renewable/retail multiplier x1.25: \$625

Total value of credit: \$3125